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Some Progress in the Inter-Korean Dialogue

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An Intelligence Assessment

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An Intelligence Assessment

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East Asian Analysis. Comments and queries are
welcome and may be directed to the Chief,
Northeast Asia Division, OEA, []
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Key Judgments

*Information available
as of 24 July 1985
was used in this report.*

North Korea's current effort to engage South Korea in economic, humanitarian, and interparliamentary discussions appears more than a short-lived tactical maneuver. We believe P'yongyang remains intent on attracting the United States into broader security discussions and sees the talks with the South as a step to that end. North Korea also seems to have embarked on the dialogue in a broader effort to improve P'yongyang's political, strategic, and economic options as well.

A variety of factors are sustaining the momentum on both sides:

- P'yongyang's realignment of its position in the Sino-Soviet-North Korean triangle has brought some solid gains, which may have given Kim Il-song greater confidence and energy to pursue dialogue with Seoul.
- South Korea's response also shows a growing confidence on Seoul's part despite the domestic political challenges to President Chun Doo Hwan. Chun may indeed calculate that the dialogue will serve as a rallying point and thereby help disarm his critics at home.

With the Summer Olympics scheduled in Seoul in 1988, South Korea does not want to appear to be the party hindering any peace efforts, which P'yongyang apparently senses is a factor that keeps Seoul at the table.

Given the past failure of dialogues between the North and the South, decisionmakers on both sides are trying to protect their positions and to handle the twists and turns of the dialogue:

- Institutional interests, particularly the military and security forces, are certain to object to the possible harmful effects on vigilance, security, and division of national resources if broader exchanges occur between the two societies.
- P'yongyang probably worries that its dealings with the South may encourage its Communist allies to expand dealings with Seoul. South Korea is concerned about P'yongyang scoring its own gains in the West.

Against this backdrop, we do not anticipate early or significant substantive breakthroughs. As in the early 1970s, the current dialogue could well be prolonged, showing only slow and limited progress.

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On the other hand, it is possible that momentum in the talks could lead the two Koreas more rapidly to substantive progress. The odds on this outcome would improve significantly if the two sides agree to more than token economic and humanitarian exchanges. Both Kim and Chun have proposed summit discussions. If each senses the timing for a dramatic gesture is right, a summit this year or early next could add that forward push.

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Introduction

The inter-Korean dialogue resumed last year following P'yongyang's provision of flood relief aid to South Korea. We believed North Korea had reinitiated talks with two primary ends in mind:

- North Korea seemed to have concluded that resumed dialogue with Seoul would help it engage the United States in broader security negotiations. Having failed in its efforts to win US acceptance of its tripartite talks proposal, P'yongyang apparently sought to respond to the US call for progress in inter-Korean talks and to project an image of accommodation.
- It probably also sensed a need to take the initiative when Sino-US discussions threatened, in its view, to produce arrangements that could work against North Korean interests.

South Korean officials, particularly President Chun Doo Hwan, viewed North Korea's initiatives with an attitude of defensiveness, borne of the fear that the North might actually score a breakthrough to the

United States. (South Korea's defensiveness is in large part responsible for its proposals for cross-recognition, which would bring about recognition by major powers of the two Koreas.) Nonetheless, Seoul—well aware of the need to appear responsive and to seize the public relations initiative—quickly countered with proposals of its own.

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North Korea has, in fact, sustained the dialogue despite several incidents that, in the past, have provided a pretext for breaking contact with Seoul. Such recent events have included the Team Spirit Exercise, the sit-in at the USIS Center in Seoul, and President Chun's subsequent crackdown on dissident students (see table for status of various talks).

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Recent comments by a North Korean diplomat overseas also contribute to our conviction that P'yongyang is in for the long haul. The official asserted that P'yongyang will still suspend sessions during the Team Spirit Exercise held every spring, but his comments suggest North Korea envisages talks with Seoul continuing at least into next year. His remarks

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Status of Current Inter-Korean Dialogue

Forum	Sessions	Comments
Economic/Trade	15 November 1984 17 May and 20 June 1985 at Panmunjom.	Fourth round set for 18 September. These are official government talks.
Humanitarian (Red Cross)	Preliminary contacts at Panmunjom on 20 November 1984 and during May 1985, with formal meeting in Seoul during 28-29 May 1985.	Working-level contacts at Panmunjom on 15 and 19 July fail to agree on token family exchanges. Next formal meeting set for 27 August in P'yongyang. These are semiofficial contacts.
Parliamentary	North Korea proposed contacts to draft a nonaggression pact on 9 April 1985.	South Korea accepted forum, but prefers discussion on the question of a reunification constitution. First preliminary meeting held on 23 July in Panmunjom; second scheduled for 25 September.
Sports	Three sessions during spring 1984 on issue of fielding joint team for sporting events.	Seoul urging revival, but talks suspended since North Korean boycott of 1984 Summer Olympics.
Summit	Both sides have proposals on table.	Both sides publicly stipulate prior progress at lower levels.

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were made in the context of a broader recitation of P'yongyang's interest in strengthening its ties to the outside world, particularly the West. [REDACTED]

Behind the Momentum

Events this spring may be building leadership confidence in both Koreas, and account in part for the progress registered so far. In the North, Kim Il-song's efforts to realign the Sino-Soviet-North Korean triangle have registered solid gains:

- For the first time in over a decade, the Soviets have delivered a significant new weapons system—six MIG-23s were transferred in May—which should assuage some of Kim's insecurities over the planned transfer of US F-16 fighters to the South beginning early next year. We anticipate the MIGs will eventually total a full regiment of 40.
- Moscow also has given Kim's domestic agenda a boost by inviting heir apparent Kim Chong-il to visit, and P'yongyang may benefit from increased Soviet economic assistance for North Korea's next seven-year plan. [REDACTED]

South Korea's handling of the talks also indicates growing leadership confidence in Seoul, even while President Chun is being more openly challenged on the domestic political front:

- Chun's visit to Washington in late April reassured him on the strength of ties to the United States.
- His desire to chalk up a success in the foreign policy area may be growing despite domestic problems. Chun may calculate the dialogue will produce a "rally round the flag" effect that will help disarm his critics. [REDACTED]

Beyond these essentially domestic considerations, we believe that a broader process, focused more on international considerations, is also at work. The comments made by the North Korean official cited above suggest P'yongyang's initiatives toward South Korea should be viewed in the context of a range of North Korean steps to improve its political, strategic, and economic options. [REDACTED]

South Korea, mindful that it is hosting the 1986 Asian Games and 1988 Summer Olympics, is loath to take any steps that would suggest publicly it is hindering peace efforts. Consequently, it feels somewhat "trapped" into responding to the North. This was evident in Seoul's participation in the interparliamentary talks that began on 23 July. Seoul, via the National Assembly, took nearly two months to reply to P'yongyang's April call for exchanges. A South Korean Government planning paper prepared in mid-June argued that this forum would allow North Korean exploitation of differences between the opposition and government, but it concluded that there was little hope of avoiding talks. [REDACTED]

We believe that North Korea, assessing Seoul's motivations, has concluded that it has a special "window of opportunity" now that will keep the South Koreans talking at almost any cost. [REDACTED]

The Negative Costs

Notwithstanding the inducements to keep talking, there are signs both sides are developing positions to preserve their options in handling the evolving dialogue. For example, media in both P'yongyang and Seoul continue to focus on the other's domestic and foreign policy developments in such a way as to cast doubt on intentions. [REDACTED]

On both sides, entrenched institutionalized interests—especially the military/security forces—are certain to register concern over the possible harmful effects of broader exchanges between the two societies. We believe that elements of the South Korean leadership fear bilateral exchanges will undercut Seoul's long-standing justification for its authoritarian approach to domestic dissent—the threat from the North. If the dialogue casts P'yongyang in a more benign light, "the threat" will lose its usefulness as a justification for control. The North, meanwhile, has to be wary of

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weakening its control over the populace, a development that could accompany any large-scale family exchanges with the South. [redacted]

Moreover, North Korea probably senses a very real danger that its dealings with the South may encourage significantly expanded Communist dealings with Seoul. Indeed, Soviet Deputy Foreign Minister Kapitsa in late June told US officials that progress in the inter-Korean dialogue might encourage Moscow to broaden contacts with South Korea. [redacted]

Prospects

For the moment, however, we are more impressed by factors likely to keep the dialogue going. In particular, given what we now view as North Korea's broad-based interest in strengthening its external relations on a variety of fronts, we believe that it will overlook frustrations that a few years ago might have caused it to abandon the dialogue. [redacted]

Even so, we do not necessarily anticipate early or significant substantive breakthroughs. In all probability North and South will behave in months to come in a manner similar to that of the 1970s. That is, a prolonged dialogue, showing only limited signs of solid progress, could ensue. If both Koreas come to focus more on the risks than the opportunities inherent in the dialogue, we could well see:

- Progress diffused among several different dialogue tracks, with shifting emphasis on first one and then another forum.
- Working-level contacts sapping forward momentum. There is almost infinite scope for disagreement over the logistics of various exchanges to say nothing of substantive issues. Both the Red Cross and political contacts in the 1970s degenerated into unproductive but lengthy working-level rounds that continued several years after formal, substantive meetings ground to a halt in 1973. [redacted]

It remains possible, however, that, while remaining poles apart on strategic issues such as peace treaties, nonaggression pacts, multiparty talks, and confeder-

tion, the building momentum of the talks could lead the two Koreas into some real substantive progress. The odds on this outcome would improve significantly should a long series of proposals and counterproposals lead to a Kim-Chun summit this year or early next. [redacted]

To date, the two Koreas have declared their readiness, via the Red Cross humanitarian talks, to initiate exchange visits of separated family members late this summer. [redacted] the South will stack their delegation with security officers, and we anticipate that P'yongyang will do likewise. Exchanges of cultural troupes could also occur at an early date. Progress has not been claimed in the economic talks, where the North has made broad proposals and the South, specific suggestions. We continue to believe, however, that the proposals tabled in this forum—such as the opening of officially monitored trade—carry fewer political risks than many humanitarian exchange proposals. [redacted]

Specific issues for discussion have not been identified for the summit, but we believe that the Asian habit of associating such meetings with the mutual granting of concessions or "presents" would weigh heavily in the calculations of both Seoul and P'yongyang. Substantive issues on which progress has not yet been achieved but which are relatively noncontroversial, such as trade, might present the best opportunities for progress. [redacted]

Room for maneuver and compromise is also conspicuous in the sports area. Three sessions were held in early 1984 on fielding joint teams at major meets. North Korea abruptly canceled the talks when it withdrew from the Los Angeles Summer Olympics. So far P'yongyang has not responded to Seoul's subsequent calls to resume these talks. We believe, however, that North Korea will need to come to grips with the inevitability of the 1988 Summer Olympics being held in Seoul (as well as that of broad participation by the Communist Bloc). P'yongyang may well conclude that its best option lies in fielding a joint team and/or pushing to host some events itself. [redacted]

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Secret**Implications for the United States**

The unfolding dialogue presents opportunities for reducing tension on the Korean Peninsula and for probing for meaningful North Korean policy changes. North Korea's policy of dialogue may well invite greater Western attention to P'yongyang, which would sorely test Seoul's own willingness to adopt more creative and risky approaches to the dialogue. Coordinating flexible responses to the process—in Washington, Seoul, and Western capitals—presents challenges to US policymakers. [redacted]

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Because one of P'yongyang's goals in resuming talks with the South is to engage the United States in broader discussions, North Korea will be looking for positive signs of Washington's acknowledgment of the process. P'yongyang's reaction to President Reagan's speech on 8 July—identifying North Korea as a state associated with terrorism—has been relatively low-key. [redacted]

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North Korea nonetheless may infer from these remarks that the United States is indifferent to progress in the North-South dialogue. That, in turn, could limit North Korean flexibility. But we believe the growing signs that the North sees broader goals—beyond engaging the United States—served by the dialogue argue for continued effort. [redacted]

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